

Message Text

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PAGE 01 SANTIA 05082 222202Z

61

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 TRSE-00 L-03 (ISO) W

----- 027334

P 222126Z JUL 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 4063

LIMITED OFFICIAL USE SANTIAGO 5082

EO 11652: N/A

TAGS: EFIN, ETRN, CI

SUBJECT: CIVAIR - RECIPROCAL INCOME TAX EXEMPTION AGREEMENT

REF: A. STATE 235683, OCT 25, 1974

B. SANTIAGO 6736, NOV 6, 1974

1. GOC FOREIGN MINISTRY SUDDENLY ANXIOUS TO CONCLUDE AIRLINE RECIPROCAL INCOME TAX EXEMPTION AGREEMENT WITH USG. FONMIN ECONOMIC DIRECTOR BURR SUGGESTED THAT AGREEMENT'S FORM SHOULD BE THAT WHICH CHILE USES WITH ANDEAN PACT PARTNERS. EMBASSY HAS COUNTERED WITH SUGGESTION THAT GOC RESPOND TO OUR DIPLOMATIC NOTE WHICH FIRST INVITED THE GOC TO CONCLUDE RECIPROCAL INCOME TAX EXEMPTION AGREEMENT FOR TRANSPORTATION COMPANIES (NOTE 505, OCT 20, 1972).

2. PRELIMINARY REVIEW INDICATES THAT MAJOR DIFFERENCE BETWEEN TWO FORMS IS THAT GOC'S VERSION ESTABLISHES RETROACTIVE TAX EXEMPTION WHILE USG'S VERSION DOES NOT. THIS IS CRUCIAL POINT, SINCE, AS DEPARTMENT AWARE, LAN CHILE HAS NEVER PAID U.S. INCOME TAXES WHILE BRANIFF HAS PAID SIGNIFICANT CHILEAN INCOME TAXES. (COMMENT: WE UNDERSTAND THAT IRS INTEREST IN LAN'S U.S. TAX HISTORY IS THE MOTIVE FACTOR IN PRESENT CASE.)

3. COPY TEXT GOC ANDEAN PACT RECIPROCAL TAX EXEMPTION AGREEMENT WILL BE POUCHED EB/TT/OA JULY 23.

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4. ACTION: REQUEST INSTRUCTIONS ASAP.
THOMPSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, TAX RELIEF, INCOME TAXES, AIRLINES, TAX AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTIA05082
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750253-0381
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750733/aaaabds.v.tel
Line Count: 63
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 235683, 75 OCT 25, 75 1974
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by CunninFX>; APPROVED <19 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - RECIPROCAL INCOME TAX EXEMPTION AGREEMENT
TAGS: EFIN, ETRN, EAIR, CI, US
To: STATE
Type: TE
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